

FISCAL IMPACT STATEMENT ON BILL NO. **H. 4511**

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TO:	The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Tricia Tangney, Beth Campbell, and Allan Kincaid		
DATE:	April 4, 2006	SBD:	2006133

AUTHOR:	Representative Kirsh	PRIMARY CODE CITE:	59-75-100
SUBJECT:	School Facilities Infrastructure Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 4511 establishes the South Carolina School Facilities Infrastructure Act.

EXPLANATION OF IMPACT:

The Bill creates the South Carolina School Facilities Infrastructure Authority and authorizes the issuance of school infrastructure bonds. If school infrastructure bonds are issued according to the provisions outlined in the Bill, there would be an impact to the General Fund of the State for Debt Service. According to the Office of the State Treasurer, a series of three bonds issued in fiscal years 2007, 2008, and 2009 totaling \$500 million with a five percent interest rate would cost the General Fund approximately \$44 million per year for fiscal years 2008-2022, \$30.4 million in 2023, and \$15.4 million in 2024. The total cost would be about \$703.4 million over the life of the program. The addition of these bonds would increase the debt capacity to approximately 80% of the 5% Constitutional Debt Service Limit, based on June 30, 2005 general fund revenue. The impact on the General Fund could be reduced to the extent federal and/or other funds become available to offset Debt Service expenses.

The State Department of Education and the Budget and Control Board report that the proposed Bill will have a minimal impact which can be absorbed at current levels of funding.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget